UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Alfred D. Stedman, Assistant Administrator
Director, Division of Information
Washington, D. C.

No. 60 January 5, 1935.

TO FARM JOURNAL EDITORS:

The following information is for your use.

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AGENCY SET UP TO IMPORT CANADIAN HAY TO U.S. DROUGHT AREAS

Plans for duty-free importation of Canadian hay as a measure to alleviate the feed shortage in the northwest states were recently made known when the Agricultural Adjustment Administration announced that Secretary of Agriculture Henry A. Wallace had signed an agreement authorizing an "Agency for Deficiency Distribution" to carry out the project. It is expected that representatives of the agency will sign the agreement immediately to complete it.

The agency is composed of the Farmers' National Grain Corporation of Chicago, a cooperative, and the Cargill Elevator Co., and F. H. Peavey and Co., of Minneapolis, both line elevator companies. F. Peavey Heffelfinger of the Monarch Elevators is manager of the enterprise. Offices have been established in Minneapolis, Winnipeg and Saskatoon. Operation of the agency is being financed by the participating companies.

It is anticipated that the project will make available to farmers in drought areas of the northwestern states, which are remote from available domestic supplies, possibly 300,000 tons of roughages from the Canadian provinces of Alberta, Saskatchewan and Manitoba. The hay will be distributed through local commercial dealers on a service charge basis in territory where freight costs make this practicable. It is expected that most of the movement will be into the Dakotas, Montana, Wyoming and Minnesota, since freight rates to points farther from the border probably would make the cost prohibitive.

The agreement, signed by the Secretary of Agriculture, fixes the prices which will be paid for the various types and grades of forage, and likewise the charges for the various operations in purchasing and shipping.

Base prices per ton for the classes of hay specified in the agreement are: Wheat straw, $1.75; oat straw, $2.25; upland prairie hay, $7.50; prairie hay, $6; alfalfa, $10.50; timothy, $8.50; and grain hay, $7.50. All prices are based on Canadian currency.

To these prices will be added freight costs on both sides of the border; $2 a ton for baling; 50 cents a ton commission to Canadian dealers who purchase the hay for the agency; 50 cents a ton to the Deficiency Distribution Agency to cover its operating cost; and the service charge of not more than $1.50 a ton to the local handler in the United States to cover all his costs of handling.

Both Canadian and United States railroads have established special tariffs for transporting these emergency forage shipments. On the Canadian side, the territory where the hay supplies are available has been divided into four zones, and the freight rates will not exceed $3.40 a ton from points in the zone nearest the border to border delivery points; $4 and $4.60 from intermediate zones; and $5.20 is the maximum from points in the zone farthest from the border.

Added to these figures will be the freight rates in the United States from the border to the point of destination. Designated border points for delivery of hay are Coutts, Alberta; Northgate, Saskatchewan, and Emerson, Manitoba.

Without United States freight costs, which will be added, the maximum prices to the American farmer per ton for the various hays will be $9.45 for wheat straw; $9.95 for oat straw; $15.20 for upland prairie hay; $13.70 for prairie hay; $18.20 for alfalfa; $16.20 for timothy, and $15.20 for grain hay. Minimum prices for these roughages would not exceed the following plus United States freight: Wheat straw, $7.65; oat straw, $8.15; upland prairie, $13.40; prairie hay, $11.90; alfalfa, $16.40; timothy, $14.40, and grain hay, $13.40.

Standards adopted by the United States and Canadian governments will be followed in inspecting hay purchased under this project. Agricultural Adjustment Administration officials have found the base prices of the roughages as low as practical in order to obtain an actual increase in supplies of feed available in the drought area. The United States Treasury Department has indicated that import duties will not be assessed on the hay.

The Deficiency Distribution Agency will make supplies available, on the basis of the base prices and services charges already outlined, to any responsible dealer or distributor within the designated drought area. These dealers are not required to charge the maximum service charge but may not charge more than the maximum. These outlets, according to the agreement, may include County Agricultural Drought Committees, and possibly other agencies of the United States, or other individuals or organizations. The local distributors will pay the sight drafts that accompany the bills of lading when shipments are made, and pay the freight and any other charges which may accrue.

Figures indicate that at least 300,000 tons of hay are available in the three Canadian provinces, and that much more than that probably could be used in the northwest drought states. The agreement provides, however, that in the event the agency finds it cannot dispose of 100,000 tons at the prices and on the terms specified, the Secretary of Agriculture agrees to take over any hay or straw remaining from the first 100,000 tons. In addition, the Secretary of Agriculture agrees

to take up to 50,000 tons of any forage that may remain unsold from additional purchases in excess of the first 100,000 tons. Any hay so taken over would be used for relief purposes. The Secretary would not, however, be required to take over more than 30,000 tons of wheat straw.

The agreement gives the Secretary of Agriculture the authority to order purchases stopped at any time after the first 100,000 tons has been bought, and the agency may likewise stop operations if it finds it is unable to buy 100,000 tons at the prices and on the terms specified. In any event, the purchases are to be completed on or before May 1, 1935.

It is expected that all tame hays -- such as alfalfa and timothy -- and all grain hay available in the designated provinces, estimated at 60,000 to 80,000 tons, will be imported.

Agricultural Adjustment Administration officials said that the Canadian hay movement will in no way supplant the sale of any feedstuffs in the United States, but will be a desirable addition to domestic stocks, and will assist in carrying foundation herds of livestock through the winter.

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HEARING ON RAW COTTON TRADE CODE

Notice of a hearing on a proposed code of fair competition for the raw cotton industry to be held in the hearing room of the U. S. Tariff Commission, Washington, D. C., at 9:30 a.m. on January 23, 1935, has been signed today by Secretary of Agriculture Henry A. Wallace.

The raw cotton "trade" includes the business of buying, selling, trading in or marketing of cotton after it is ginned, and includes the department or unit of cotton textile mills concerned with the purchase of raw cotton. The proposed code relates to prices, practices and conditions, including hours of labor, rates of pay and other conditions of employment, in the raw cotton trade. It was submitted to the Secretary of Agriculture and the National Industrial Recovery Board by the Conference of Raw Cotton Trade and American Cotton Shippers' Association

Provisions in the proposed code relating to hours of labor, rates of pay and other conditions of employment are under the jurisdiction of, and subject to administration by, the National Recovery Administration. All persons or groups who can show substantial interest as workers, employers, consumers, or otherwise, in the effect of any provisions of the proposed code dealing with these matters will have an opportunity to be heard at the hearing, but they are also requested to file a written statement of their testimony in the office of the Division Administrator, National Recovery Administration, before the hearing if possible, or with the Assistant Hearing Clerk at the hearing.

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REFERENDUM RETURNS ON THE KERR-SMITH TOBACCO ACT

The Agricultural Adjustment Administration has announced that a preliminary

tabulation of official returns indicates that persons who own, rent, share-crop or control land customarily engaged in the production of flue-cured, Burley, fire-cured and dark air-cured tobacco voted overwhelmingly in the December referendum in favor of the continuance of the Kerr-Smith Tobacco Act in 1935.

The tabulation, prepared by the Tobacco Section, shows that the flue-cured area in North Carolina, South Carolina, Virginia, Gerogia and Florida gave the Kerr-Smith Act its heaviest vote for continuance. In this area persons having control of 99.1 percent of the land customarily engaged in the production of flue-cured tobacco, upon which votes were cast, voted in favor of continuing the Act in 1935. The tabulation includes 96.5 percent of the flue-cured acreage eligible to be voted.

For the Burley areas in Kentucky, Tennessee, Ohio, Indiana, West Virginia, Missouri, Virginia and North Carolina the tabulation indicates that 95.5 percent of the Burley acreage voted was in favor of continuing the Act. Approximately 94.8 percent of the Burley acreage eligible to be voted was covered in the tabulation.

The tabulation shows that 92.7 percent of the acreage voted for fire-cured tobacco and 92.5 percent of the acreage voted for dark air-cured tobacco was in favor of continuing the Act. The tabulation included 92 percent of the total fire-cured acreage, located principally in Southern Virginia; Western Kentucky and Western Tennessee; and 93.8 percent of the total dark air-cured acreage, located chiefly in Western Kentucky, Western Tennessee, and Virginia.

The Kerr-Smith Act levies a tax of 33 1/3 percent of the gross first sale value of all tobacco harvested after June 28, 1934, (except Maryland, Virginia sun-cured, and cigar-leaf tobacco), but provides that the Secretary of Agriculture may prescribe a lower rate of tax (not less than 25 percent of the price for which such tobacco is sold) if it is determined that such lower rate will best effectuate the declared policy of the Act. The Secretary prescribed a rate of 25 percent of the 1934-35 crop year.

Any type of tobacco may be brought under the provisions of the Act for 1935-36 provided it is determined that "the persons who own, rent, share-crop or control three-fourths of the land customarily engaged in the production of any type of tobacco favor the levy of the tax thereon."

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MILLERS INVITED TO MAKE PEANUT DIVERSION OFFERS

The Secretary of Agriculture, pursuant to the Agricultural Adjustment Act, has announced that he invites offers from oil millers to divert farmers' stock peanuts and separated stock peanuts grown in 1934 from their normal trade channels into the manufacture of oil. Diversion payments will be made to oil millers with whom the Secretary contracts for such diversion by accepting such offers. Official announcement of this proposal of the Secretary of Agriculture recently was made by the Agricultural Adjustment Administration.

The proposal is a part of the program for adjusting production of peanuts which is designed to balance the supply of peanuts for shelled goods to the effective demand for these goods. Payments to growers for diversions accomplished by them directly have already been provided for as another phase of this adjustment program.

The announcement issued by the Agricultural Adjustment Administration officials in charge of the peanut adjustment program is as follows:

"The Secretary of Agriculture, pursuant to the Agricultural Adjustment Act, invites any manufacturer of peanut oil to submit offers to divert farmers' stock peanuts or separated stock peanuts grown in 1934 from their normal commercial channels by using them for the manufacture of peanut oil; provided that (1) peanuts to be diverted pursuant to such offers shall not include peanuts sold by the grower thereof, subject to agreement on the part of the purchaser to divert such peanuts from their normal channels of trade, by converting them into oil subject to agreement pursuant to the United States Department of Agriculture, Agricultural Adjustment Administration Form PN-4, 'Oil Millers' Agreement and Receipt for Farmers' Stock Peanuts Delivered by Grower for Manufacture into Peanut Oil', nor peanuts with respect to which an application for diversion payments has been or will hereafter be made, pursuant to (a) United States Department of Agriculture, Agricultural Adjustment Administration Form PN-10, 'Oil Millers' Agreement and Application for Peanut Diversion Payment for the Purchase of Farmers' Stock Peanuts of Virginia Type and Diversion Thereof into Manufacture of Peanut Oil' or (b) any other agreement with the Secretary for diversion payments under the Agricultural Adjustment Act; (2) all such offers must be made on and pursuant to United States Department of Agriculture, Agricultural Adjustment Administration Form PN-12; and (3) in the event that any such offers are accepted by the Secretary, diversion payments will be made thereon only after proof of performance is given in accordance with United States Department of Agriculture, Agricultural Adjustment Administration Form PN-13, 'Oil Millers' Certificate of Performance'.

"The proposal made by the Secretary of Agriculture under date of November 15, 1934, entitled 'Modify Payments to Manufacturers for Diverting Peanuts to Oil', is hereby terminated as of December 31, 1934."

# # #

1935 SUGAR QUOTAS SET FOR FOREIGN COUNTRIES

Sugar quotas for 28 foreign countries other than Cuba for the calendar year 1935, totaling 16,638 short tons, raw value, have been announced by the Agricultural Adjustment Administration.

The quotas for the foreign countries were made effective through General Sugar Quota Regulations, Series 2, approved by Secretary of Agriculture Henry A. Wallace. The quotas are in addition to those announced for the domestic beet and cane areas, the insular areas, and Cuba. They will apply on the total United States consumption requirements estimated at 6,359,261 short tons for the calendar year.

Sugar arriving from foreign countries for refining and re-export, and for use in products which will be exported, such as canned goods, confectionaries, etc., on

which a drawback is allowed under the Tariff Act of 1930, are not included in the quotas under certain conditions, as they are exempted under the provisions of the Jones-Costigan Act.

Quotas of sugar made from sugarcane or sugar beets which may be shipped from the 28 countries to continental United States for consumption during 1935, expressed in pounds of sugar, raw value, are as follows:

Country	Quota in pounds
Argentina	9,631
Australia	135
Belgium	194,462
Brazil	791
British Malaya	17
Canada	372,795
China	53,252
Colombia	176
Costa Rica	13,610
Czechoslovakia	173,975
Dominican Republic	4,406,150
Dutch East Indies	139,670
Dutch West Indies	4
France	116
Germany	77
Guatemala	221,283
Haiti, Republic of	608,950
Honduras	2,268,045
Hongkong	137,117
Italy	1,157
Japan	2,649
Mexico	3,985,518
Netherlands	143,952
Nicaragua	6,753,454
Peru	7,343,561
Salvador	5,423,736
United Kingdom	231,700
Venezuela	191,617
Total	32,677,600
Reserve Unallotted	600,000
Total	33,277,600

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MID-DECEMBER FARM PRICES

The general level of farm prices was the same in mid-December as the revised figure for a month earlier, according to an index of prices of 47 agricultural

products issued December 15 by the Bureau of Agricultural Economics. At 101 percent of pre-war, the index was 23 points higher than a year earlier.

Advances in prices received by farmers for cotton, cottonseed, grains, hay, apples, hogs, cattle, sheep, lambs, dairy products, and mules were completely offset by the declines recorded for potatoes, citrus fruits, calves, eggs, wool, and tobacco during the month ended December 15. Changes in the index numbers, by commodity groups, during the month were as follows: Truck crops, up 14 points; grains, up 7; cotton and cottonseed, up 2; dairy products, up 2; meat animals, up 1; chickens and eggs, down 6; fruits, down 9; and miscellaneous items, down 10. Advances in prices received by farmers for dairy products were primarily of a seasonal nature.

The sharp decline in the miscellaneous products price index was due to the greater-than-seasonal reduction in tobacco prices. Tobacco prices usually drop seasonally from November 15 to December 15, as the result of the shift in sales from flue-cured to a preponderance of the burley type. In 1934, the price reduction was accentuated, since, in mid-November, flue-cured types were selling at prices far above the parity level, while, on December 15, farmers did not receive a very large premium over parity prices for burley tobacco.

Mid-December prices of all farm products except potatoes and wool, were higher than a year earlier. As compared with December 1933, the December, 1934, group indexes were higher by the following amounts: Grains, 43 points, cotton and cottonseed, 32 points; chickens and eggs, 25 points; meat animals, 21 points; dairy products, 19 points; fruits, 11; miscellaneous products, 9; and truck crops, 7.

The preliminary estimate of mid-December prices paid by farmers remained unchanged from the 126 percent of pre-war, recorded a month earlier, but was 10 points higher than a year earlier. In consequence, the average prices received by farmers continues at a level only 80 percent of the average of prices paid. On December 15, 1933, however, the ration of prices received to prices paid was but 67, or 13 points less than this year (1934.)

The Crop Reporting Board of the United States Department of Agriculture makes the following estimates of average prices received by farmers at local markets, based on averages of reports from 11,189 correspondents. Reports are weighted according to the relative importance of price-reporting districts and States in computing United States averages:

Commodity		5-yr. Av. Aug. 1909 to July 1914	Dec. Av. 1910 to 1914	Dec. 15 1933	Oct. 15 1934	Nov. 15 1934	Dec. 15 1934
FARM PRICES:							
Cotton, per lb.	¢	12.4	10.7	9.6	13.5	12.3	12.4
Corn, per bu.	¢	64.2	58.7	42.0	76.7	75.7	85.3
Oats, per bu.	¢	39.9	38.9	31.4	50.5	51.1	53.9
Barley, per bu.	¢	61.9	60.6	40.6	75.5	75.9	79.7
Wheat, per bu.	¢	88.4	87.2	67.3	88.5	88.1	90.6
Rye, per bu.	¢	72.0	74.4	51.9	75.0	71.9	74.4
Flaxseed, per bu.	¢	169.1	154.8	151.1	167.1	161.7	168.8
Hay, per ton	$	11.87	12.05	7.69	13.40	13.58	13.86
Potatoes, per bu.	¢	69.7	61.1	69.4	49.0	45.9	45.4
Apples, per bu.	¢	96.1	85.8	80.0	84.4	89.3	94.0
Cottonseed, per ton	$	22.01	20.99	15.35	35.62	37.08	39.90

Commodity		5-yr. Av. Aug. 1909 to July 1914	Dec. Av. 1910 to 1914	Dec. 15 1934	Oct. 15 1934	Nov. 15 1934	Dec. 15 1934
Hogs, per 100 lb.	$	7.22	6.72	2.92	5.20	5.04	5.15
Beef cattle, per 100 lb.	$	5.21	5.22	3.12	3.96	3.81	3.88
Veal calves, per 100 lb.	$	6.75	6.92	4.20	5.19	4.97	4.88
Lambs, per 100 lb.	$	5.87	5.68	4.92	4.81	4.84	5.01
Sheep, per 100 lb.	$	4.53	4.37	2.48	2.52	2.55	2.66
Eggs, per dozen	¢	21.5	30.4	21.6	23.7	28.6	27.0
Butter, per lb.	¢	25.5	28.4	21.0	24.6	25.9	26.5
Butterfat, per lb.	¢	26.3	29.7	18.0	24.3	27.2	28.2
Whole milk (wholesale) per 100 lb.	$	1.79	1.86	1.49	1.60 2/	1.65	1.69
Whole milk (retail) per qt. 1/	¢	6.8	7.1	9.2	9.6	9.6	9.7
Wool, per lb.	¢	17.6	17.3	24.2	19.2	19.2	18.5
Milk cows, each	$	48.00	50.00	31.00	33.00	33.00	34.00
Horses, each	$	142.00	135.00	70.00	78.00	79.00	79.00
Chickens, live, per lb.	$	11.4	10.6	8.6	11.8	11.7	11.7

1/ Retailed by farmers directly to consumers.
2/ Revised.

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PRICES FARMERS PAID FOR FEEDS AND ROCK SALT IN JANUARY, 1934

The eighth of a series of reports based on a four-day price enumeration made by Federal Civil Works Administration workers on a country-wide scale from January 24 to 27, 1934 has been issued by the Bureau of Agricultural Economics. The enumerators visited 15,198 representative dealers in feed, seed and fertilizer in towns of 15,000 population or under in agricultural areas to obtain price quotations, which have been combined into State averages for individual commodities.

The prices paid by farmers for corn meal, corn gluten, mixed dairy feed, tankage and rock salt are summarized in the following table. Geographic variation in the price of feed is caused primarily by the abundance or scarcity of production in relation to demand. Thus in New England, which is a deficit feed producing area, but an important dairy region, prices paid for feed were high, while in the Rocky Mountain States, where a surplus of feed ordinarily is produced, prices paid were low.

State	Corn Meal		Corn Gluten		Mixed Dairy Feed		Tankage		Rock Salt	
	Towns	Price per 100 lbs	Towns	Price per 100 lbs	Towns	Price per 100 lbs	Towns	Price per 100 lbs	Towns	Price per 100 lbs.
	No.	Dol.	No.	Dol.	No.	Dol.	No.	Dol.	No.	Dol.
Me.	54	1.45	43	1.60	54	1.75	4	1.80	49	1.35
N. H.	39	1.45	26	1.60	39	1.75	3	1.90	27	1.60
Vt.	53	1.45	46	1.55	53	1.70	5	2.20	39	1.35
Mass.	77	1.50	67	1.60	76	1.75	10	2.00	65	1.50
R. I.	15	1.40	14	1.50	15	1.70	3	2.15	16	1.40
Conn.	59	1.45	47	1.60	61	1.70	3	2.30	49	1.50
N. Y.	307	1.40	256	1.45	302	1.55	48	2.25	220	1.10
N. J.	107	1.50	74	1.55	103	1.75	28	2.30	94	1.35
Pa.	234	1.55	198	1.45	253	1.60	150	2.30	183	1.15
Ohio	152	1.35	87	1.55	165	1.60	191	1.95	157	.90
Ind.	220	1.50	63	1.60	227	1.55	315	1.85	221	.89
Ill	164	1.55	53	1.45	185	1.55	253	1.90	209	.89
Mich.	190	1.40	83	1.60	175	1.65	100	2.05	150	.95
Wis.	227	1.25	175	1.40	214	1.25	163	1.95	205	.96
Minn.	106	1.20	66	1.70	93	1.45	188	1.90	181	.94
Iowa	140	1.30	28	1.50	113	1.55	310	1.70	298	.75
Mo.	341	1.50	67	1.35	312	1.40	358	1.85	362	.79
N. Dak.	13	1.50	6	1.75	21	1.55	25	2.45	42	1.35
S. Dak.	43	1.45	5	1.55	48	1.25	112	1.90	107	1.00
Nebr.	103	1.50	22	1.40	56	1.50	220	1.90	218	.74
Kans.	181	1.25	36	1.35	110	1.45	282	1.90	266	.54
Del.	9	1.55	5	1.60	8	1.70	2	2.20	6	1.35
Md.	66	1.75	29	1.65	65	1.75	33	2.20	53	1.40
Va.	195	1.75	35	1.55	179	1.65	65	2.40	146	1.20
W. Va.	121	1.70	20	1.60	152	1.65	36	2.65	58	1.10
N. C.	173	1.85	10	1.55	188	1.85	73	2.45	147	1.60
S. C.	80	1.80	9	1.75	57	1.85	28	2.55	44	1.40
Ga.	223	1.85	4	1.70	142	1.95	31	2.65	129	1.30
Fla.	93	1.95	19	1.75	107	2.00	30	2.45	83	1.45
Ky.	197	1.75	24	1.55	201	1.60	133	2.20	187	1.05
Tenn.	144	1.65	20	1.60	164	1.65	98	2.20	130	1.10
Ala.	166	1.80	9	1.50	152	1.85	39	2.40	117	1.15
Miss.	156	1.75	14	1.50	187	1.65	13	2.60	175	1.10
Ark.	157	1.65	25	1.40	166	1.50	35	2.35	158	1.05
La.	114	1.65	14	1.45	140	1.65	8	2.25	121	1.15
Okla.	196	1.75	31	1.35	195	1.45	147	2.15	220	.85
Texas	339	1.75	60	1.60	411	1.55	199	2.50	431	.99
Mont.	25	1.65	4	1.80	36	1.30	16	2.80	58	1.35
Idaho	35	1.60	4	1.75	37	1.35	21	2.65	62	1.20
Wyo.	16	1.30	4	1.60	16	1.30	16	3.00	36	1.15
Colo.	62	1.35	9	1.50	36	1.65	81	2.05	128	.85
N. Mex.	37	1.65	2	1.50	15	1.65	11	3.10	44	.95
Ariz.	19	1.75	2	1.75	15	1.80	4	2.60	21	1.30
Utah	22	1.60	1	1.75	26	1.45	6	2.20	41	.90
Nev.	4	1.80	-	-	3	1.65	-	-	9	1.00
Wash.	76	1.60	9	1.55	81	1.55	15	2.10	86	1.10
Oreg.	63	1.50	4	1.65	70	1.40	19	2.05	81	1.15
Calif.	201	1.55	19	1.35	195	1.50	50	2.15	192	1.05

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